

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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<b>In re</b>	:
	:
<b>SEARS HOLDINGS CORPORATION, <i>et al.</i>,</b>	:
	:
<b>Debtors.<sup>1</sup></b>	:
	:
-----X	

**Chapter 11**

**Case No. 18-23538 (RDD)**

**(Jointly Administered)**

**FIRST ORDER GRANTING APPLICATIONS OF PROFESSIONALS FOR  
INTERIM ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES**

Upon consideration of each of the applications (each, an “**Application**” and collectively, the “**Applications**”) filed by those professionals identified on **Schedule A** hereto (each, an “**Applicant**” and collectively, the “**Applicants**”) under 11 U.S.C. § 331 for interim allowance of compensation for professional services rendered and expenses incurred during the periods identified on **Schedule A**; and the Court having jurisdiction to consider the Applications and the relief requested therein in accordance with 28 U.S.C. §§ 157(a)-(b) and 1334(b) and the Amended Standing Order of Reference M-431, dated January 31, 2012 (Preska, C.J.); and

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); SR – Rover de Puerto Rico, LLC (f/k/a Sears, Roebuck de Puerto Rico, Inc.) (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); Sears Brands Management Corporation (5365); and SRe Holding Corporation (4816). The location of the Debtors’ corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

consideration of the Applications and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Applications and the deadline for filing objections to the relief requested therein having been provided; and the Court having found and determined that all of the applicable requirements of sections 327, 328, and 331 of title 11 of the United States Code, Rule 2016 of the Federal Rules of Bankruptcy Procedure, Rule 2016-1 of the Local Bankruptcy Rules for the Southern District of New York, the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases, effective February 5, 2013 (as adopted by General Order M-447), and the *Order Authorizing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* (ECF No. 796) have been satisfied with respect to each of the Applications; and it appearing that the services rendered and expenses incurred by each of the Applicants for which compensation and reimbursement are allowed hereby were actual, reasonable and necessary; and after due deliberation and sufficient cause appearing therefor,

**IT IS HEREBY ORDERED THAT:**

1. The Applications are granted as set forth on **Schedule A** hereto.
2. The Debtors are authorized and directed upon entry of this Order to remit payment to each of the Applicants in the amounts set forth on **Schedule A** hereto less all amounts previously paid on account of such fees and expenses set forth on **Schedule B**.
3. Nothing set forth in this Order shall preclude the review of the Applications by the Court-appointed independent fee examiner in these cases (the “**Fee Examiner**”) contemplated by the *Order Authorizing Appointment of Independent Fee Examiner Pursuant to 11 U.S.C. § 105(a) and Modifying Interim Compensation Procedures for Certain*

*Professionals Employed Pursuant to 11 U.S.C. § 327* [Docket No. 3307], and the Fee Examiner hereby reserves all rights with respect thereto in connection with the approval of any final fee applications for such professional.

4. This Court shall retain jurisdiction to hear and determine all matters arising from or related to this Order.

Dated: June 28, 2019  
White Plains, New York

/s/ Robert D. Drain  
THE HONORABLE ROBERT D. DRAIN  
UNITED STATES BANKRUPTCY JUDGE

**Schedule A**

Case No. 18-23538 (RDD)  
In re Sears Holdings Corporation, *et al.*

**INTERIM FEE APPLICATIONS**

(1) APPLICANT	(2) APPLICATION DATE AND DOCKET NO.	(3) FEE PERIOD	(4) FEES REQUESTED	(5) FEES ALLOWED	(6) FEES TO BE PAID UNDER ORDER <sup>1</sup>	(7) EXPENSES REQUESTED	(8) EXPENSES ALLOWED	(9) EXPENSES TO BE PAID UNDER ORDER <sup>2</sup>
McAndrews, Held and Malloy's (IP-Related Services Provider for the Debtors)	April 8, 2019 ECF No. 3087	10/15/18 - 02/28/19	\$628,967.84	\$628,967.84	\$628,967.84	\$18,288.92	\$18,288.92	\$18,288.92
Wachtell, Lipton, Rosen & Katz (Special Counsel for the Debtors) ("WLRK")	April 12, 2019 ECF No. 3185	10/15/18 - 03/18/19 <sup>3</sup>	\$873,185.00	\$873,185.00	\$873,185.00	\$12,832.82	\$12,832.82	\$12,832.82
Akin Gump Strauss Hauer & Feld LLP. (Counsel for the UCC)	April 15, 2019 ECF No. 3190	10/24/18 - 02/28/19	\$20,309,841.00	\$20,309,841.00	\$20,309,841.00	\$1,325,684.75	\$1,325,684.75	\$1,325,684.75
Young Conaway Stargatt & Taylor, LLP (Conflicts Counsel for the Debtors)	April 15, 2019 ECF No. 3191	10/15/18 - 02/28/19	\$239,471.00	\$239,471.00	\$239,471.00	\$1,385.59	\$1,385.59	\$1,385.59

<sup>1</sup> Subject to amounts previously paid by the Debtors.

<sup>2</sup> *Id.*

<sup>3</sup> On March 18, 2019, the Court granted WLRK leave to withdraw as counsel to the Debtors pursuant to the *Order Authorizing Wachtell, Lipton, Rosen & Katz to Withdraw as Special Counsel to the Debtors Pursuant to Local Rule 2090-1* [ECF No. 2860]. In the interest of judicial economy, and as noted in its Application [ECF No. 3185], WLRK submitted its Application as a combined interim and final fee application in order to cover the entirety of WLRK's services on behalf of the Debtors through March 18, 2019. To the extent that WLRK seeks approval of its application as a final—rather than an interim—application, such request shall be considered at a subsequent hearing.

(1) APPLICANT	(2) APPLICATION DATE AND DOCKET NO.	(3) FEE PERIOD	(4) FEES REQUESTED	(5) FEES ALLOWED	(6) FEES TO BE PAID UNDER ORDER <sup>1</sup>	(7) EXPENSES REQUESTED	(8) EXPENSES ALLOWED	(9) EXPENSES TO BE PAID UNDER ORDER <sup>2</sup>
Houlihan Lokey Capital, Inc. (Investment Banker for the UCC)	April 15, 2019 ECF No. 3194	10/29/18 - 02/28/19	\$8,750,000.00	\$8,750,000.00	\$8,750,000.00	\$110,347.94	\$110,347.94	\$110,347.94
FTI Consulting Inc. (Financial Advisor for the UCC)	April 15, 2019 ECF No. 3195	10/25/18 - 02/28/19	\$7,460,918.25	\$7,460,918.25	\$7,460,918.25	\$38,344.76	\$38,344.76	\$38,344.76
Prime Clerk LLC (Administrative Agent for the Debtors)	April 15, 2019 ECF No. 3196	10/15/18 - 02/28/19	\$981.75	\$981.75	\$981.75	\$0.00	\$0.00	\$0.00
Evercore Group L.L.C. (Investment Banker for the Debtors)	April 15, 2019 ECF No. 3204	10/15/18 - 03/14/19	\$1,000,000.00	\$1,000,000.00	\$1,000,000.00	\$17,095.30	\$17,095.30	\$17,095.30
Alvarez & Marsal North America, LLC (Financial Advisors for the Debtors)	April 15, 2019 ECF No. 3205	10/15/18 - 02/28/19	\$3,959,349.50	\$3,959,349.50	\$3,959,349.50	\$25,674.97	\$25,674.97	\$25,674.97
Stout Risius Ross, LLC (Real Estate Consultant and Advisor for the Debtors)	April 15, 2019 ECF No. 3206	11/21/18 - 02/28/19	\$173,291.00	\$173,291.00	\$173,291.00	\$6,960.60	\$6,960.60	\$6,960.60
Paul, Weiss, Rifkind, Wharton & Garrison LLP (Conflicts Counsel for the Debtors and Counsel for the Restructuring Subcommittee)	April 15, 2019 ECF No. 3207	10/15/18 - 02/28/19	\$14,377,232.25	\$14,377,232.25	\$14,377,232.25	\$288,917.88	\$288,917.88	\$288,917.88

(1) APPLICANT	(2) APPLICATION DATE AND DOCKET NO.	(3) FEE PERIOD	(4) FEES REQUESTED	(5) FEES ALLOWED	(6) FEES TO BE PAID UNDER ORDER <sup>1</sup>	(7) EXPENSES REQUESTED	(8) EXPENSES ALLOWED	(9) EXPENSES TO BE PAID UNDER ORDER <sup>2</sup>
Deloitte Transactions and Business Analytics LLP (Bankruptcy Advisor for the Debtors)	April 15, 2019 ECF No. 3213	11/01/18 - 02/28/19	\$5,509,852.75	\$5,509,852.75	\$5,509,852.75	\$261,846.10	\$261,846.10	\$261,846.10
Lazard Freres & Co. LLC (Investment Banker for the Debtors)	April 15, 2019 ECF No. 3217	10/15/18 - 02/28/19	\$20,500,000.00	\$20,500,000.00	\$20,500,000.00	\$11,395.28	\$11,395.28	\$11,395.28
Deloitte Tax LLP (Tax Services Provider for the Debtors)	April 15, 2019 ECF No. 3220	10/15/18 - 02/28/19	\$3,263,507.00	\$3,263,507.00	\$3,263,507.00	\$70,248.94	\$70,248.94	\$70,248.94
Deloitte & Touche LLP (Independent Auditor and Advisor for the Debtors)	April 15, 2019 ECF No. 3223	10/15/18 - 02/28/19	\$2,324,770.50	\$2,324,770.50	\$2,324,770.50	\$47,154.66	\$47,154.66	\$47,154.66
Weil, Gotshal & Manges LLP (Attorneys for the Debtors)	April 15, 2019 ECF No. 3224	10/15/18 - 02/28/19	\$40,705,193.75	\$40,705,193.75	\$40,705,193.75	\$1,572,862.82	\$1,572,862.82	\$1,572,862.82
<b>TOTAL</b>			<b>\$130,076,561.59</b>	<b>\$130,076,561.59</b>	<b>\$130,076,561.59</b>	<b>\$3,809,041.33</b>	<b>\$3,809,041.33</b>	<b>\$3,809,041.33</b>

Date Order Signed: June 28, 2019

Initials: RDD USBJ

**Schedule B**

Case No. 18-23538 (RDD)  
In re Sears Holdings Corporation, *et al.*

<b>FEE APPLICATION TOTALS</b>				
<b>(1) Applicant</b>	<b>(2) Total Fees Requested</b>	<b>(3) Total Fees Paid</b>	<b>(4) Total Expenses Requested</b>	<b>(5) Total Expenses Paid</b>
McAndrews, Held and Malloy's (IP-Related Services Provider for the Debtors)	\$628,967.84	\$503,174.27	\$18,288.92	\$18,288.92
Wachtell, Lipton, Rosen & Katz (Special Counsel for the Debtors)	\$873,185.00	\$698,548.00	\$12,832.82	\$12,832.82
Akin Gump Strauss Hauer & Feld LLP. (Counsel for the UCC)	\$20,309,841.00	\$16,247,872.80	\$1,325,684.75	\$1,325,684.75
Young Conaway Stargatt & Taylor, LLP (Conflicts Counsel for the Debtors)	\$239,471.00	\$191,576.80	\$1,385.59	\$1,385.59
Houlihan Lokey Capital, Inc. (Investment Banker for the UCC)	\$8,750,000.00	\$7,000,000.00	\$110,347.94	\$110,347.94
FTI Consulting Inc. (Financial Advisor for the UCC)	\$7,460,918.25	\$5,968,734.60	\$38,344.76	\$38,344.76

FEE APPLICATION TOTALS				
(1) Applicant	(2) Total Fees Requested	(3) Total Fees Paid	(4) Total Expenses Requested	(5) Total Expenses Paid
Prime Clerk LLC (Administrative Agent for the Debtors)	\$981.75	\$785.40	\$0.00	\$0.00
Evercore Group L.L.C. (Investment Banker for the Debtors) (“ <b>Evercore</b> ”)	\$1,000,000.00	\$880,000.00 <sup>1</sup>	\$17,095.30	\$5,244.86
Alvarez & Marsal North America, LLC (Financial Advisors for the Debtors) (“ <b>A&amp;M</b> ”)	\$3,959,349.50	\$3,167,479.60	\$25,674.97	\$26,315.52 <sup>2</sup>
Stout Risius Ross, LLC (Real Estate Consultant and Advisor for the Debtors) (“ <b>Stout</b> ”)	\$173,291.00	\$140,628.80	\$6,960.60	\$6,964.63 <sup>3</sup>

<sup>1</sup> Pursuant to the *Modified Order Authorizing the Retention and Employment of Evercore Group L.L.C. as Financial Advisor for The Debtors Nunc Pro Tunc to the Petition Date* [ECF No. 1089] (“**Evercore Retention Order**”), as of the date of entry of the Evercore Retention Order, Evercore was authorized to receive two monthly fee payments, each in the amount of \$200,000, and will subsequently receive monthly fee payments in the same amount subject to an 80% holdback.

<sup>2</sup> According to the *First Application of Alvarez and Marsal North America, LLC as Financial Advisors for The Debtors, for Interim Allowance of Compensation for Professional Services Rendered and Reimbursement of Actual and Necessary Expenses Incurred From October 15, 2018 Through February 28, 2019* [ECF No. 3205], the total expenses paid in the amount of \$26,315.52 includes an inadvertent overcharge of \$640.55. A&M has voluntarily reduced the unpaid amount of the total fees and expenses currently sought in its Application by the overcharged amount.

<sup>3</sup> According to the *First Interim Fee Application of Stout Risius Ross, LLC, Real Estate Consultant And Advisor For The Debtors, For The Period From November 21, 2018 Through And Including February 28, 2019* [ECF No. 3206], the total expenses paid in the amount of \$6,964.63 includes an inadvertent overcharge of \$4.03. Stout has voluntarily reduced the unpaid amount of the total fees and expenses currently sought in its Application by the overcharged amount.



<b>FEE APPLICATION TOTALS</b>				
<b>(1) Applicant</b>	<b>(2) Total Fees Requested</b>	<b>(3) Total Fees Paid</b>	<b>(4) Total Expenses Requested</b>	<b>(5) Total Expenses Paid</b>
Paul, Weiss, Rifkind, Wharton & Garrison LLP (Conflicts Counsel for the Debtors and Counsel for the Restructuring Subcommittee)	\$14,377,232.25	\$11,521,070.40	\$288,917.88	\$288,917.88
Deloitte Transactions and Business Analytics LLP (Bankruptcy Advisor for the Debtors)	\$5,509,852.75	\$4,407,882.20	\$261,846.10	\$261,846.10
Lazard Freres & Co. LLC (Investment Banker for the Debtors)	\$20,500,000.00	\$16,440,000.00	\$11,395.28	\$11,395.28
Deloitte Tax LLP (Tax Services Provider for the Debtors)	\$3,263,507.00	\$2,613,879.98	\$70,248.94	\$70,248.94
Deloitte & Touche LLP (Independent Auditor and Advisor for the Debtors)	\$2,324,770.50	\$1,859,816.40	\$47,154.66	\$47,154.66
Weil, Gotshal & Manges LLP (Attorneys for the Debtors)	\$40,705,193.75	\$32,564,155.00	\$1,572,862.82	\$1,572,862.82

Dated Order Signed: June 28, 2019

Initials: RDD USBJ